

FACTSHEET

TITLE: A Resolution approving and adopting the proposed **NORTH 56TH STREET & ARBOR ROAD REDEVELOPMENT PLAN**, requested by the Director of the Urban Development Department, for the area generally bounded by North 40th Street on the west, North 70th Street on the east, from Bluff Road south to the Salt Creek, excluding the Bluff Road landfill.

STAFF RECOMMENDATION: A finding of conformance with the Comprehensive Plan.

ASSOCIATED REQUEST: Comprehensive Plan Amendment No. 06001 (06R-188)

SPONSOR: Planning Department

BOARD/COMMITTEE: Planning Commission
Public Hearing: 08/02/06 and 08/16/06
Administrative Action: 08/16/06

RECOMMENDATION: A finding of conformance with the Comprehensive Plan, as revised (8-0: Carlson, Carroll, Cornelius, Esseks, Krieser, Larson, Sunderman and Strand voting 'yes'; Taylor absent).

FINDINGS OF FACT:

1. This proposed Redevelopment Plan and the associated Comprehensive Plan Amendment No. 06001 were heard at the same time before the Planning Commission.
2. The area of this proposed redevelopment plan includes nearly three linear miles of land that is adjacent to Interstate 80 and includes a significant portion of the City's inventory of future industrial land. The main purpose of the Redevelopment Plan is to bring infrastructure to the vacant land for purposes of spurring economic development in the area.
3. The staff recommendation to find the proposed **North 56th Street & Arbor Road Redevelopment Plan** to be in conformance with the Comprehensive Plan is based upon the "Analysis" as set forth on p.3-6, concluding that the final boundaries of the Plan area may be amended to exclude the future urban residential area at the time of City Council action, depending on action of the Lincoln Public School Board and City Council direction with regard to the use of Tax Increment Financing (TIF) in new residential development.
4. The minutes of the public hearing and continued public hearing before the Planning Commission are found on p.7-15. There was no testimony in opposition.
5. Mark Hunzeker testified in support on behalf of Developments, Unlimited, the applicant for the associated Comprehensive Plan Amendment, and submitted proposed amendments as set forth on p.22. The staff agreed to incorporate these amendments.
6. At the continued public hearing on August 16, 2006, the staff submitted proposed revisions to the Redevelopment Plan as set forth on p.21, clarifying that the purpose of leaving residential land in the boundaries of one of the project areas is to generate TIF funds for other commercial/industrial projects and not for improvements internal to the residential subdivision.
7. On August 16, 2006, the Planning Commission agreed with the staff recommendation, as revised, with the amendments proposed by Mark Hunzeker, and voted 8-0 to find the proposed Redevelopment Plan, as revised, to be in conformance with the Comprehensive Plan (Strand absent).
8. On August 16, 2006, the Planning Commission also agreed with the staff recommendation and voted 8-0 to recommend approval of the associated Comprehensive Plan Amendment No. 06001.
9. Since the Planning Commission hearing, staff and Mark Hunzeker met with LPS staff and board members to persuade them to make an exception to their policy on including residential areas in TIF districts. LPS was not persuaded, as documented by their letter dated August 22, 2006, attached (p.23-25). Respecting LPS's position, the references to the residential area in the Redevelopment Plan have been removed. The Redevelopment Plan document is being provided under separate cover.

FACTSHEET PREPARED BY: Jean L. Walker

REVIEWED BY: _____

REFERENCE NUMBER: FS\CC\2006\CPC.06008 Redev Amend

DATE: September 12, 2006

DATE: September 12, 2006

LINCOLN CITY/LANCASTER COUNTY PLANNING STAFF REPORT

for August 2, 2006 PLANNING COMMISSION MEETING

PROJECT#: Comprehensive Plan Conformance #06008

PROPOSAL: Review the N 56th and Arbor Road Redevelopment Plan to determine conformity with the *Lincoln and Lancaster County 2025 Comprehensive Plan*.

CONCLUSION: The proposed redevelopment plan is in conformance with the Comprehensive Plan.

<u>RECOMMENDATION:</u>	Find that Redevelopment Plan is in conformance with the Comprehensive Plan. The final boundaries of the Plan area may be amended to exclude the future urban residential area at time of City Council action, depending on action of Lincoln Public School Board and City Council direction.
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GENERAL INFORMATION:

LOCATION: An area generally bounded by N. 40th Street on the west, N. 70th Street on the east, from Bluff Road south to the Salt Creek, excluding the Bluff Road landfill.

PURPOSE: Nebraska Community Development Law, NEB REV STAT § 18-2112 requires the Planning Commission to review a redevelopment plan as to its conformity with the Comprehensive Plan. A recommendation of the Planning Commission is required to be provided to the City Council.

EXISTING ZONING:

AG	Agricultural District
I-1	Industrial District
H-1	Interstate Commercial District
H-3	Highway Commercial District
H-4	General Commercial District

EXISTING LAND USE: Mix of commercial uses and a few single family residential uses, with majority of land shown as vacant.

ASSOCIATED APPLICATIONS: Comprehensive Plan Amendment #06001

HISTORY: As required by the Nebraska Community Redevelopment Act, the City commissioned a Blight and Substandard Determination Study which was approved by the City Council on October 24, 2005.

COMPREHENSIVE PLAN SPECIFICATIONS:

“Maximize the community’s present infrastructure investment by planning for residential and commercial development in areas with available capacity.” (P. F17)

“Preserve and enhance entryway corridors into Lincoln and Capitol View Corridors.” (P. F19)

“Guiding Principles for Existing Commercial Centers:

Encourage renovation and reuse of existing commercial centers. Infill commercial development should be compatible with the character of the area and pedestrian oriented.

Maintain and encourage retail establishments and businesses that are convenient to, and serve, neighborhood residents, yet are compatible with, but not intrusive upon residential neighborhoods.

Expansion of existing commercial and industrial uses should not encroach on existing neighborhoods and must be screened from residential areas.

Encourage mixed use commercial centers, including residential uses on upper floors and at the rear of commercial buildings.

Encourage efforts to find new uses for abandoned, under utilized or “brownfield” sites that are contaminated.” (P. F49)

“Public property, especially publically owned historic property, is a community trust and should be maintained, preserved, and utilized in an exemplary fashion. Most historic property is and should be privately maintained.” (P. F 141)

ANALYSIS:

1. This is a request to review the N 56th and Arbor Road Redevelopment Plan for a determination of conformity with the Lincoln and Lancaster County 2025 Comprehensive Plan. This area includes nearly 3 linear miles of land that is adjacent to Interstate 80 which is an entryway into Lincoln and acts as a front door, introducing visitors and residents to Lincoln. It also includes a View Corridor to the Capitol from the 56th & I-80 area.
2. This area includes a significant portion of the City’s inventory of future industrial land and has convenient access to Highway 77 and the Interstate. The main purpose of the Redevelopment Plan is to bring infrastructure to the vacant land in this area for purposes of spurring economic development in the area.

3. The Plan describes in general terms the guiding principles and general activities for the redevelopment of the N 56th and Arbor Road redevelopment area. Most of the guiding principles for redevelopment are directly quoted from the Comprehensive Plan, including that commercial and industrial districts should be within the Lincoln city limits or incorporated communities, outside of saline wetlands, provided with urban services and compatible with residential uses (see page 17 - 18 of the Redevelopment Plan).
4. The N56th and Arbor Road Blight and Substandard Determination Study determined that there were 11 single family homes and 15 non residential structures in the Blight area. A detailed survey of deteriorating or dilapidated building was not done. The main substandard deficiency in the area was the lack of public infrastructure. In addition there was the presence of 8 blighting factors including faulty lot layout, diversity of ownership and inadequate street layout.
5. The present zoning for the majority of the area is AG Agricultural and 76% of the land is either agricultural or vacant.
6. Interstate 80 functions as the primary east-west arterial for this area with expansion to 6 lanes between Lincoln and Omaha underway. Highway 77 (N. 56th St.) is already improved to 4 lanes, but Arbor Road, N. 40th and N. 70th Street are unimproved. The area currently lacks any internal street connections between N. 56th and N. 70th Streets. A goal of the Redevelopment Plan is to improve internal circulation.
7. Almost all property within the Redevelopment Area lack sidewalks. Pedestrian movements are further restricted by the lack of pedestrian access across the Interstate.
8. Public utilities are a important element of the Redevelopment Plan's targeted improvement activities. Specific details on needed improvements are not typically included in a Redevelopment Plan.
9. The N56th and Arbor Road Redevelopment Plan anticipates using public and private funding sources, including Tax Increment Financing (TIF) from private development in the project area to pay for public infrastructure and improvements such as utilities, streets, and pedestrian facilities.
10. Commercial and industrial projects are identified in the Redevelopment Plan on pages 21 through 24. Over time additional activities may be added. The following projects are specifically identified as activities in the Redevelopment Plan:
 - 10.1. Support commercial development on the northwest corner of N 56th and I-80.
 - 10.2. Support commercial development on the west side of N 56th and south of Arbor Road.
 - 10.3. Support industrial development on the west side of N 56th and south of Arbor Road.
 - 10.4. Support industrial development on the west side of N 56th and south of Arbor Road.

11. The Comprehensive Plan recommends that redevelopment projects be reviewed by the City of Lincoln Urban Design Committee. The Committee is charged with advising the Mayor, City Council, Planning Commission, city boards, and city departments on the design of city buildings and other public projects, major public/private developments, and any private projects constructed on city right of way or other city property (page F 129, Comprehensive Plan).
12. The County Engineer notes (see attached memo dated July 18, 2006) that specific road improvements are not identified in the Redevelopment Plan at this time. The Health Department notes that residential uses are designated in the Plan adjacent to commercial and industrial uses. (See attached memo from Health.) This was also noted in the staff report for Comprehensive Plan Amendment #06001 and that this issue is best addressed by having the industrial uses in a use permit district which could provide for an adequate separation and/or transition of uses between incompatible uses.
13. The N. 56th and Arbor Road Redevelopment Plan is different from previous redevelopment plans in that it includes a future suburban residential development within the boundaries. Previous redevelopment plans only included commercial or industrial land in newly developing areas. Residential development has been a part of redevelopment plans in older existing neighborhoods.
14. Lincoln Public Schools (LPS) previously stated a concern about the inclusion of new residential development in suburban areas being included potentially in a redevelopment plan for TIF purposes. (See attached LPS letter dated October 21, 2005) In general, the concern of LPS was that property tax revenue generated by the new residences would be used for utilities and other improvements, rather than being used by LPS to provide school services and facilities to the residents.
15. In the letter sent to the City Council prior to the declaration of blighted area, the LPS letter to Mayor Seng stated that LPS “understand it is the City’s intention that this blight determination not result in drawing TIF from residential development.” At the City Council hearing on the blighted designation, staff reiterated that it was the intention of the City to not include the residential development in a further TIF district.
16. The City of Lincoln has requested that LPS reconsider their position. It is the preference of the developers west of 56th Street that a portion of the property tax revenue from the future Northbank Junction residential subdivision be used to finance water and sanitary sewer improvements to serve the potential commercial and industrial development north of I80 and west of 56th Street.
17. As of the writing of this report, the School Board has not changed the previously stated position of LPS. However, this matter has been taken under advisement.
18. City staff is also preparing a policy statement on the use of TIF financing in suburban

development area such as this. The policy statement proposes that TIF funds for internal site improvements, reimbursement of impact fees and other subsidies to individual properties in suburban areas be directed to “**primary**” employers and not to local serving businesses or residential development. This policy statement is expected to be submitted to the City Council at about the same time as this redevelopment plan, a proposed redevelopment plan agreement and the Northbank Junction annexation and change of zone are scheduled with the City Council.

Prepared by:

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Date: July 19, 2006

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**COMPREHENSIVE PLAN AMENDMENT NO. 06001
AND
COMPREHENSIVE PLAN CONFORMANCE NO. 06008
“NORTH 56TH STREET & ARBOR ROAD
REDEVELOPMENT PLAN”**

PUBLIC HEARING BEFORE PLANNING COMMISSION:

August 2, 2006

Members present: Carlson, Carroll, Esseks, Larson, Strand, Sunderman and Taylor; Cornelius and Krieser absent.

Staff recommendation: Approval of Comprehensive Plan Amendment No. 06001 and Conformance with the Comprehensive Plan for Comprehensive Plan Conformance No. 06008

Ex-Parte Communication: None

Staff presentation: Steve Henrichsen of Planning staff stated this amendment is a follow-up to Comprehensive Plan Amendment No. 05009, which was part of the Annual Review in 2005. That was about 200 acres north of I-80, west of 56th Street and also west of the landfill. It was about 200 acres that drained by gravity to the south generally to the west of 56th St. That area was designated as light industrial at the time. This amendment is for an additional 400 acres, not all of which immediately drains toward 56th Street. All of the additional 400 acres drains naturally southwest more toward 40th Street. Most of the additional area is to be shown as additional industrial land and approximately 125 acres of the original 200 acres shown as industrial is being changed to commercial. There will be about 125 acres of commercial along the frontage along 56th St. and Hwy. 77 on the northwest corner. The remaining area would be shown as light industrial with small area of low density residential surrounding a few acreage lots developed the last five to ten years on the south side of Bluff Road. All of this area would be added to Priority A as part of the 2025 Comprehensive Plan.

Darl Naumann, Economic Development for the City and County, presented the redevelopment plan. Over two years ago, in a study on economic development conditions in Lincoln, Angelou Economics gave a failing grade to Lincoln for availability of large industrial sites, which need to be buffered from residential uses and out of the floodplain. An update gave Lincoln a D+ this year. Many times, we have had site selectors identify Lincoln as their favorite site and we are rated #4 in Forbes as list of the best places to be; however, many times we have been eliminated once they have looked at the land and we have not been able to provide sites of 80 to 100 acres close to the Interstate, out of the floodplain and buffered from residential.

This plan answers the need for the large industrial sites. Targeted development with private companies investing on N. 56th can improve conditions. The blight study was prepared. The North 56th

and Arbor Road Blight Study is not the solution but merely a tool to address targeted development. The total area studied was 1,800 acres along N. 56th Street. There was a finding that development occurring in this general area presents itself as blighted and substandard. The study concluded that the authority should be granted to proceed with preparation of a redevelopment plan. This redevelopment plan may help us consume this elephant one bite at a time. Design of the area as blighted offers us some tools. It gives existing business access to facade improvement loans from CDBG, and the possibility of tax increment financing for public improvements. The redevelopment plan presents an opportunity to provide visible, easily accessible sites for commercial, industrial and employment center uses. This plan can improve the grade given to Lincoln by Angelou Economics. These sites need to be buffered from residential uses and out of the floodplain. They need sewer and water. Locally, the sewer and water prepare this area for existing companies to expand. The only means to put this area on the market is to provide TIF financing to bring sewer and water to the interstate. We have four-lane streets already built to provide the access to commercial and industrial uses.

Carroll questioned using TIF to bring the infrastructure to the property. What if you do that and the landowners do not want to wait for the big industrial user and want to subdivide and sell off? Naumann replied that is also a problem that Angelou saw. We can guarantee the sewer and water to these sites, but unless a private entity comes along or the businesses join together, it makes it difficult to control that. Carroll suggested there be an agreement that prohibits subdivision for a period of time. Naumann noted we have already designated it for heavy industrial and commercial north of the Interstate which addresses some of those needs. If they cannot get the large industrial user, they can come before the Planning Commission and request a change of zone. The redevelopment plan involves 1,800 acres from south to north.

Esseks inquired if there is a way that this zoning can be altered or specified to protect the Little Salt Creek from contamination. Game & Parks Commission wrote about the dangers. The problem is solvable. There needs to be some type of statement and policy to make sure there is no pollution of the creek.

Henrichsen stated that at the time the property north of the Interstate comes forward with a change of zone, staff can address that issue at that time as part of an annexation agreement or use permit or PUD.

Esseks wondered that since this is a Comprehensive Plan Amendment, if there isn't a way to indicate that policy exactly. Henrichsen replied that a subarea plan would have been the place to include some specific objectives. This is simply a change to the land use map and priority map. There is not a subarea plan. Esseks questioned how we make sure there is some type of statement in the record. Henrichsen suggested that when the specific change of zone comes forward, those issues can be addressed. Public Works does have concern about an access point at Hwy. 77, what this would look like from the Interstate, etc. Those will also be addressed at the time of change of zone.

Carlson wondered about including these concerns in the redevelopment plan. Wynn Hjermstad of

Urban Development replied that staff could certainly include that in the redevelopment plan, but it is just a guide for redevelopment. We can get specific about certain requirements once we get into the redevelopment agreement. There are some projects identified that we are pretty confident will be moving forward and each of those will have individual redevelopment agreements and it is at that time that we can provide those assurances.

Esseks noted that with the Tiger beetle in the area, it might be prudent to have some statement that the City is aware of the need to protect this species and that the change in the Comprehensive Plan puts that species at greater risk.

Proponents

1. Mark Hunzeker appeared on behalf of Developments, Unlimited. The Comprehensive Plan Amendment is a follow-up to what was approved about a year ago and this is largely in response to and hopefully a step toward addressing a need in the community for large industrial sites. We have been working on extending infrastructure north of Salt Creek in this area since about 1994. Now we have finally reached a point where we have some funding in the CIP in some future years. The plan is to use private funding to advance some of the sewer portion of the infrastructure needs and to use TIF to fill that gap. The immediate goal of the redevelopment plan and the redevelopment agreement, which will follow shortly, is to build the sewer and water to the north side of Interstate 80. We will not be proposing any immediate zoning changes to the north side of the Interstate, so the Comprehensive Plan change is simply a future land use. It is not authority to proceed with construction of any buildings, streets, etc. We are in an area where we are fortunate to have the State supplying us with a major four-lane expressway north and south and a soon to be six-lane interstate running east and west. With these major roadways in place and the major infrastructure costs for development, we really need to take advantage of this opportunity to encourage development to occur where we have roads. We are in the process of discussing and drafting a redevelopment agreement which will likely be presented to the City Council almost simultaneously with the redevelopment plan. The redevelopment plan covers a much larger area than the redevelopment agreement. The agreement itself will likely focus on the area nearest Salt Creek and the narrow piece that is required to extend sewer and water from approximately Salt Creek and 56th up to the north side of the Interstate which should attract the larger industrial users. When and if a major industrial user comes to the table on the north side of the Interstate, there will be more than enough opportunity to discuss the rezoning and any use permits requirements. The letter from Game and Parks is over a year old and was the result of a meeting we had with Game and Parks before we actually proposed the last comprehensive plan amendment and before we brought forward the blight study. He believes their concerns can be addressed by appropriate development of the site. We will need to be careful about maintaining existing stormwater flows into Salt Creek as well as avoiding the direction of too much stormwater in that direction and providing sediment basins, etc. Keep in mind, this site, because it is restricted to the east side of 40th Street, is about a mile away from the identified Tiger Beetle habitat. This was done intentionally. Most of this site drains to the south. There will be some issues with sewer and water, but those won't be addressed in the first redevelopment agreement, that being solely for the purpose of getting sewer and water up to the north side of the interstate.

Larson questioned why the Lincoln Partnership for Economic Development is not involved. Hunzeker indicated that they have not been directly involved in the discussions with the City and the Game & Parks Commission. He knows they are aware and maybe it was an oversight on his part for not inviting them to come and participate in this discussion.

Carroll stated that using TIF to bring water and sewer substantially improves the north property. He questioned how long you hold that for a large industrial user. Hunzeker could not give a precise answer. Part of the reason we have requested the 125 commercial designation at the very corner was for that kind of potential. So that if we have major retailers or other non-industrial large site type of users, we will have a place to put them without having to use up the major portion that is set aside for large industrial users. He could not say that they would be willing or able to hold it indefinitely, but the purpose of the commercial designation at the corner is to accommodate smaller users rather than to try and cobble up large sites over time. We think it is important to have the large sites and the clients are committed for as long as they can.

Carroll questioned if using TIF affects the tax base for the school system. Hunzeker replied that it always affects it to some degree but he understands there is a formula that reimburses the school district for revenue it would otherwise get. There was concern about using TIF for residential uses and we have been discussing how far their concern goes. The hope is that we will be able to use only the first phase of what has been called and was approved by this commission as North Bank Junction to supply the TIF for the sewer and water to get up to the Interstate. Beyond that point, the improvements north of the Interstate to the extent they will be serving major industrial type users, there may be some additional TIF that is generated to provide possibly water booster pump or water extensions to loop the area; possibly a short term sewer lift station, etc., but those will not be on the residential portion.

Larson wanted to know if all the land is in the city limits. Hunzeker replied not at this time. North Bank Junction is a project that has been sitting on the City Council agenda on pending for a better part of a year waiting for this to catch up so that we could get financing to bring the sewer across the creek and over to that project. Hopefully we can use the TIF from that project to move these improvements north to the Interstate. The first phase of Northbank Junction will be annexed as part of the redevelopment agreement and annexation agreement. The portion of the property which includes public improvements which will be built using TIF will have to be annexed.

Hunzeker proposed an amendment to the redevelopment plan; Roads and Streets for the purpose of making explicit reference to Alvo Road, which runs parallel to Salt Creek near the south end of this property and will serve as a collector or minor arterial in this area. We added that as a reference. We don't know at this time whether there will be adequate funding from TIF to either reimburse construction costs or to build it outright with TIF, but it is part of the project that we would like to include.

p.10:

Roads and Streets

Public streets and roadways serving the Redevelopment Area include Interstate 80, North 40th and North 70th Streets, which form the west and southeast boundary of the Redevelopment Area, and pass over the Interstate, North 56th Street (US Highway 77) which has a full interchange with the Interstate, Arbor Road, and North 58th Circle, a small cul-de-sac north off of Arbor Road. North 40th, North 56th and North 70th Streets are all section line roads and Arbor Road is a half-section line road. Alvo, the southerly section line road does not exist between North 40th and 70th streets. North 40th Street which is graveled in this area, ends approximately 0.6 miles south of Arbor Road. Arbor Road, runs parallel to the Interstate, is paved from North 70th Street to approximately 1/4 mile west of North 56th Street. Arbor Road continues west beyond the Redevelopment Area boundaries and passes under the Interstate to intersect with North 27th Street and dead-end at North 14th Street. A bridge, which will take Arbor Road over, rather than under, the Interstate will be completed in the Spring of 2006.

p. 19:

Streets and Sidewalks

1. Future arterials in the Redevelopment Area are either gravel or county standard asphalt paving. Streets should be constructed in conjunction with redevelopment projects to enhance arterials and collectors or minor arterials, especially Alvo and Arbor Road.

p. 20:

Sewer and Water

2. A new trunk sewer shall be design and constructed by the City that connects to the 60" sewer located at North 70th Street and the entrance of the Northeast Treatment Plant. This line will be a 36" line and progress west to North 68th Street, cross Salt Creek with a siphon and continue westward until it crosses North 56th Street north of Salt Creek. This trunk sewer should eventually be extended west to approximately 40th Street (size to be determined) will then and also be extended northward, crossing under Interstate 80 to a point approximately ½ mile south of Bluff Road. An additional trunk sewer extension should run westward along the north side of Interstate 80 from North 56th Street to North 40th Street and then run north along the North 40th Street ROW to a point approximately ½ mile south of Bluff Road a lift station and injection line will be located at the northeast corner of North 40th Street and Interstate 80 to transfer wastewater to trunk line located at intersection of North 56th Street and Interstate 80. The combination of these proposed trunk sewers and lift stations will serve the entire redevelopment area and be located in Project Sub-Area E.

The Commissioners indicated they did not have a full copy of the Redevelopment Plan.

Steve Henrichsen believes that this time the intent was that it was sent electronically. In the past, we had always sent a paper copy but we received it electronically. What is already at City Council is the North Bank Annex agreement which has been there for some time.

Marvin Krout, Director of Planning offered that it would be acceptable to defer this for two weeks. The amendments proposed by Mr. Hunzeker will be incorporated.

Strand moved to defer two weeks, seconded by Taylor and carried 7-0: Carlson, Carroll, Esseks, Larson, Strand, Sunderman and Taylor voting 'yes'; Cornelius and Krieser absent.

2. Mike Eckert appeared on behalf of Civil Design Group in support. In regards to the Tiger Beetle Habitat area, we have worked with city staff and one of the first things we did was to be proactive to address this issue. Game & Parks felt there were some hydrology issues that needed to be addressed. They were comfortable that we were staying on the east side of 40th Street. I-3 zoning is recommended and it is a use permit district, which allows us to come back many times before there is ultimate approval.

CONT'D PUBLIC HEARING BEFORE PLANNING COMMISSION

August 16, 2006

Members present: Carlson, Carroll, Cornelius, Esseks, Krieser, Larson, Sunderman and Taylor; Strand absent.

Staff recommendation: Approval of Annexation No. 06011 and Change of Zone No. 06046. Conditional Approval of Special Permit No. 2045A

Ex-Parte Communications: None

Staff presentation: Steve Henrichsen stated that the comprehensive plan amendment only affects the area north of the interstate between 40th to 56th St. The redevelopment plan is for a much larger area from 40th St. all the way to 70th St. on both sides of the interstate, north of Salt Creek, and does not include the land fill.

The amendment submitted relates to the redevelopment plan clarifying some revisions. There is a strip of land between Arbor Road and the interstate that needed to be included, and then clarifying that the suburban residential subdivision being included within one of the project areas is being included but the intent is not to use any of the TIF funds to pay for improvements internal to the residential subdivision.

These amendments will be made prior to City Council.

Wynn Hjernstad appeared to answer questions. She pointed out that at the last meeting, Esseks raised concerns about the environmental issues and we did re-emphasize that in the plan.

Proponents

1. **Mark Hunzeker** appeared on behalf of **Developments Unlimited**. He agreed with the staff and the amended language has been agreed upon. The intent is clear that TIF will be used primarily for the extension of sewer and water to the area north of the interstate and not to be used for internal improvements of the residential subdivision.

2. **Jason Smith** on behalf of **Lincoln Chamber of Commerce and Lincoln Partnership for Economic Development** stated that this community's strategic plan has acknowledged the Angelou report to identify large sites to handle some of the bigger distribution projects which takes a lot of acres and data centers. We have found that there are about 2,000 projects that will take place in the US in any given year with 20,000 organizations chasing those projects. We do not have any sites identified that are large enough and this area will help that situation. Without the infrastructure in place, it is a difficult sell to companies who would take the risk of moving in without the infrastructure. The Chamber and LPED support this Redevelopment plan.

There was no testimony in opposition.

Staff response and questions

Carlson noted that on Page 23 of the plan, project elements, the commercial part talks about various projects elements including construction, replatting and rezoning. He specifically wondered about payment of impact fees. Is there a legal issue as far as paying impact fees?

Hjermstad replied yes, there is a process for primary employers. With respect to using TIF funds for paying impact fees, she has that under consideration at this point in time.

Carlson stated that the City Council dedicated more money to Economic Development and he wonders if the incentive is for primary employees isn't already covered. Hjermstad believes that when staff first started on this plan, the question of impact fees was more clear and it was determined that it would qualify for TIF in some circumstances, but not all. Then the Supreme Court ruling came out and that changed some of this.

Carlson stated that the current structure creates that incentive, so he does not want to create a loophole removing that incentive. Hjermstad replied that was certainly not the intent. Darl Naumann might be able to answer better but he is out of town today. Hjermstad stated as we went through the planning process, it was one of the items that was discussed with developers at length. She emphasized that it is a plan and a guide. It does not mean we will do everything that is in the plan but it gives us the option. We have discussed this with a number of developers throughout the process and she does not want to take it out, but maybe could add some language to firm it up a little bit. Carlson questioned if payment of impact fees would be through the economic development incentive criteria. Hjermstad is not sure yet if TIF can be used for that. Carlson wants to be on record that he would be disappointed if projects came forward that did not meet the wage criteria.

Esseks thinks it might be wise to leave it in there since it says “may” and not “shall” as part of the toolbox.

Carlson wonders if it becomes duplicative and somehow softens the existing mechanism. Esseks believes it is possible that the developers who are interested might just look at this one document.

Rick Peo pointed out that the initial figures as to what might be generated from TIF by this project, the impact fee reimbursement would be very low. It may be a moot point.

Carlson wants to make sure we are attracting higher wage employers.

Carlson would like to look at the financing section on p.28 - sources of funding. Again in terms of direction of principle, he has a concern. We identify CDBG and our traditional rehabilitation established area funding sources, so he has an ongoing concern if we start to tap funds that have been used for rehab in older parts of town. What is the Urban Development Dept.’s direction? Hjermstad replied we just came through a pretty tough budget cycle. Our CDBG funds have been cut. Our entitlement was cut by 10% for next year. As a result of that and other actions we are losing a staff person and that staff person worked with older parts of the city and CDBG funds. The point is, we just don’t have the funds that we did have to what we traditionally do in working in older parts of the city, neighborhoods and business areas. A percentage of the CDBG funds are used for economic development. We have historically never used CDBG funds on an edge type project, unless through Economic Development. We don’t have the funds to even loan out to businesses like we used to do. She does not foresee using CDBG funds in this Redevelopment area.

There was no testimony in opposition.

Response by the Applicant

Hunzeker reiterated that these are just laundry lists of tools that are available and it is highly unlikely that all of them will be used on any project.

Which of the tools that are listed are determined and prioritized based on the availability of funds, the needs of a particular project development, and the physical character of the site. He does not know what will be concluded regarding the impact fees, but all of these things will be determined by the City Council in approval of the actual redevelopment agreement. This is simply the redevelopment plan and a detailed redevelopment agreement is required before TIF can be used for any project. We don’t have a redevelopment agreement signed yet for any of these projects.

COMPREHENSIVE PLAN AMENDMENT NO. 06001

ACTION BY PLANNING COMMISSION:

August 16, 2006

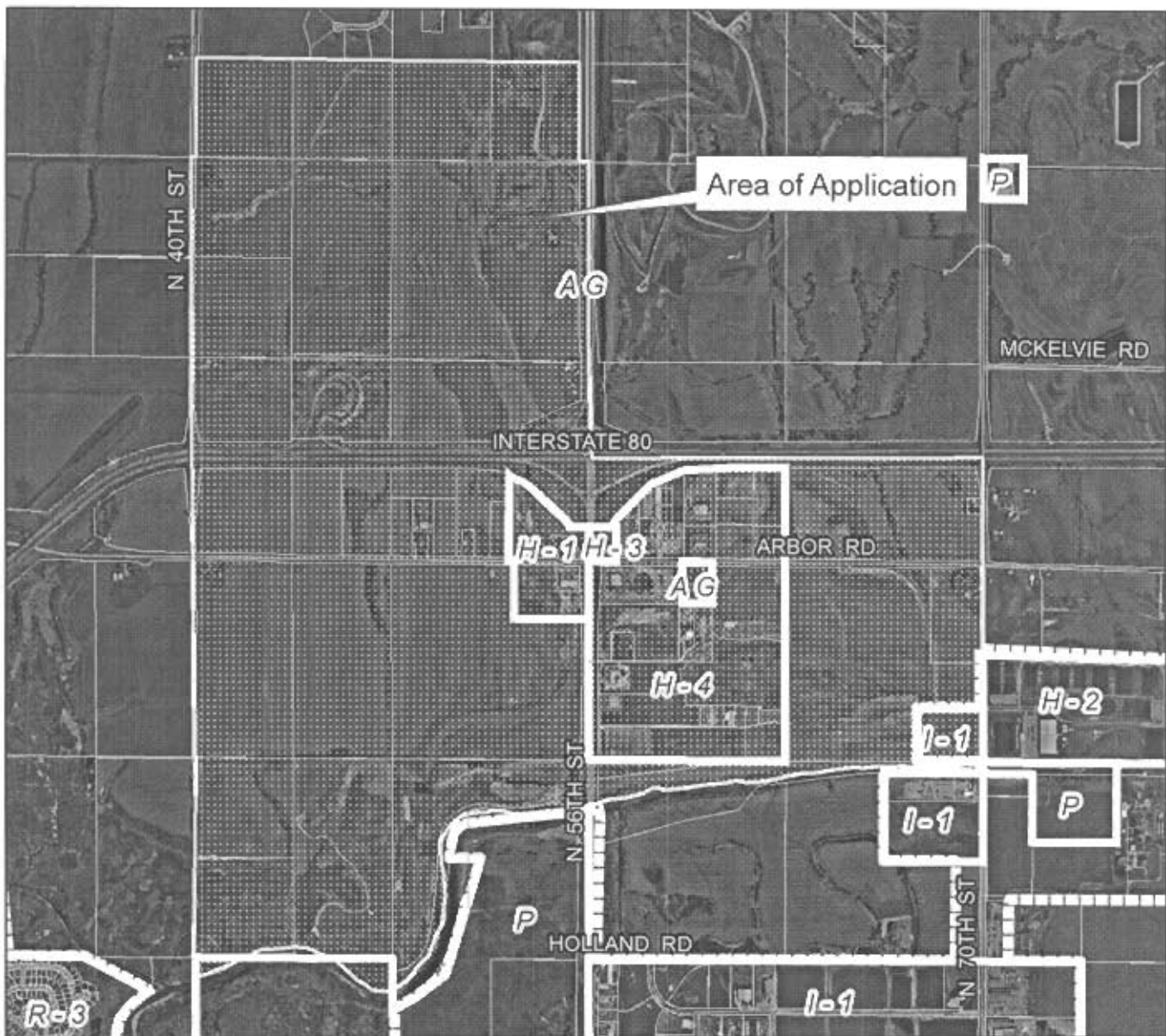
Carroll moved approval, seconded by Sunderman. and carried 8-0: Carlson, Carroll, Cornelius, Esseks, Krieser, Larson, Sunderman and Taylor voting 'yes'; Strand absent. This is a recommendation to the City Council.

COMPREHENSIVE PLAN CONFORMANCE NO. 06008

ACTION BY PLANNING COMMISSION:

August 16, 2006

Carroll moved a finding of conformance with the Comprehensive Plan, seconded by Sunderman and carried 8-0: Carlson, Carroll, Cornelius, Esseks, Krieser, Larson, Sunderman and Taylor voting 'yes'; Strand absent. This is a recommendation to the City Council.



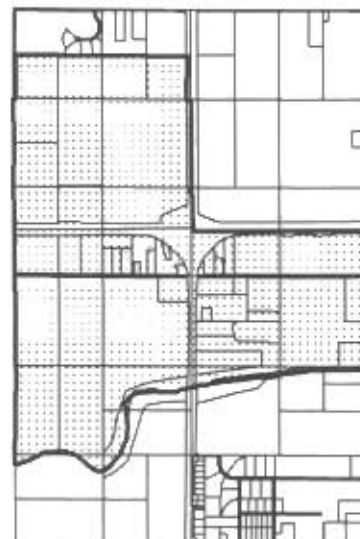
2005 aerial

Comp Plan Conformance #06008 N. 56th & Arbor Rd.

Zoning:

R-1 to R-8	Residential District
AG	Agricultural District
AGR	Agricultural Residential District
R-C	Residential Conservation District
O-1	Office District
O-2	Suburban Office District
O-3	Office Park District
R-T	Residential Transition District
B-1	Local Business District
B-2	Planned Neighborhood Business District
B-3	Commercial District
B-4	Lincoln Center Business District
B-5	Planned Regional Business District
H-1	Interstate Commercial District
H-2	Highway Business District
H-3	Highway Commercial District
H-4	General Commercial District
I-1	Industrial District
I-2	Industrial Park District
I-3	Employment Center District
P	Public Use District

Six Square Miles
 Sec. 20 T11N R7E
 Sec. 21 T11N R7E
 Sec. 28 T11N R7E
 Sec. 29 T11N R7E
 Sec. 32 T11N R7E
 Sec. 33 T11N R7E



**CITY OF LINCOLN
NEBRASKA****MAYOR COLEEN J. SENG**

lincoln.ne.gov

Urban Development Department
Marc Wullschlegel, Director
Haymarket Square
808 "P" Street
Suite 400
Lincoln, Nebraska 68508
402-441-7606
fax: 402-441-8711

July 13, 2006

Marvin Krout, Director
City of Lincoln-Lancaster County Planning Department
555 S. 10th
Lincoln, NE 68508

Dear Marvin:

Enclosed is the North 56th and Arbor Road Redevelopment Plan. The Plan was completed in June by the Urban Development Department following City Council designation of the area as Blighted and Substandard in October, 2005.

Please forward the Plan to the Planning Commission for their earliest consideration. My understanding is that the Plan should be on the August 2, 2006 agenda.

If you have questions or need additional information, please contact Troy Gagner at 441-7606 or by e-mail: tgagner@lincoln.ne.gov or feel free to also contact me: 441-7606; whjermstad@lincoln.ne.gov. Thank you.

Sincerely,

Wynn S. Hjermstad, AICP
Community Development Manager

cc: Marc Wullschlegel, Urban Development
Troy Gagner, Urban Development
Darl Naumann, Mayor's Office

Lancaster

County

Engineering

Department

DON R. THOMAS - COUNTY ENGINEER

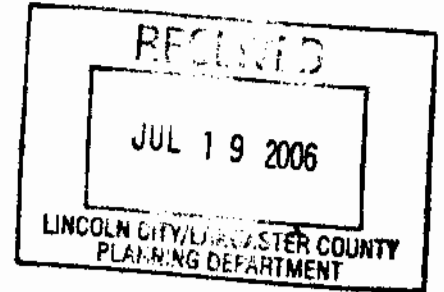
DEPUTY- LARRY V. WORRELL
COUNTY SURVEYOR

DATE: July 18, 2006

TO: Steve Henrichsen
Planning Department

FROM: Don Thomas *Don Thomas*
County Engineer

SUBJECT: NORTH 56TH STREET & ARBOR ROAD
REDEVELOPMENT PLAN



This office has reviewed subject plan and would offer the following comments:

- 1) On page 10, under Roads and Streets, the project that will take Arbor Road over the Interstate is discussed. This project is complete.
- 2) Table 2 on page 28 shows an estimated expenditure of \$12,000,000 for Infrastructure Improvements. There is no discussion on the details of the improvements planned. On page 19, public street improvements are discussed but without detail on what streets are being improved and to what level.

**LINCOLN-LANCASTER COUNTY HEALTH DEPARTMENT
INTER-OFFICE COMMUNICATION**

TO: Steve Henrichsen	DATE: July 18, 2006
DEPARTMENT: Planning	FROM: Chris Schroeder
ATTENTION:	DEPARTMENT: Health
CARBONS TO: EH File EH Administration	SUBJECT: North 56 th Street & Arbor Road Redevelopment Plan

The Lincoln-Lancaster County Health Department (LLCHD) has reviewed the proposed redevelopment plan with the following noted:

- The LLCHD advises that noise pollution can be an issue when locating commercial uses adjacent to residential zoning.
- Lincoln Municipal Code (LMC) 8.24 Noise Control Ordinance does address noise pollution by regulating source sound levels based upon the receiving land-use category or zoning. However, the LLCHD does have case history involving residential uses and abutting commercial uses in which the commercial source does comply with LMC 8.24, but the residential receptors still perceive the noise pollution as a nuisance. The LLCHD strongly advises the applicant to become familiar with LMC 8.24. The LLCHD advises against locating loading docks, trash compactors, etc. adjacent to residential zoning. Therefore, creative site design should be utilized to locate potential sources of noise pollution as far as possible from residential zoning.



Lincoln Public Schools

5901 O Street • Lincoln, NE 68510 • (402) 436-1636 • (Fax) 436-1682

October 21, 2005

The Honorable Coleen Seng
Mayor City Of Lincoln
555 South 10th Street
Lincoln, NE 68526

RECEIVED
OCT 22 2005
CITY COUNCIL
OFFICE

Dear Mayor Seng:

Subject: Declaring the North 56th Street and Arbor Road Redevelopment Area as Blighted

Lincoln Public Schools always monitors uses of TIF within the School District and surrounding territory and understands well the mutual benefit of appropriate application of this tool in Downtown and other areas. Our concerns about the North 56th Street area blight determination were first raised by the study including substantial areas on which residential development is already planned. Those concerns, among others, were further heightened by testimony at the Planning Commission hearing by Mr. Naumann and Mr. Caruso about the need to draw the "increment" from large areas and especially Mr. Hunzeker's specific mention of "substantial" residential components to future redevelopment plans associated with this blight study.

Dr. Gourley's conversation with you and Darl Naumann was very reassuring as we learned that the City Administration understands the concerns of Lincoln Public Schools regarding possible use of tax increment financing (TIF) for residential developments. We understand it is the City's intention that this blight determination not result in drawing TIF from residential development. We are aware, from Downtown redevelopments, how long blight determinations can remain in effect and know that current elected officials and boards cannot bind the actions of future boards and councils. Therefore we urge that the Administration offer and the City Council adopt an amended blight determination excluding those areas planned for residential development, to make this action clearly reflective of the City's intentions for prudent use of this important redevelopment tool.

Your consideration of this request is appreciated. If I can provide you with further information or clarification, please contact me.

Sincerely

Dennis A. Van Horn
Associate Superintendent
for Business Affairs

c: Board of Education
Dr. Gourley
City Council
Marvin Krout
Jim Gessford

8/16/06

MEMORANDUM

TO: Planning Commission

FROM: Stephen Henrichsen, Planning Department *SH*

SUBJECT: **Comp Plan Conformance #06008: 56th & Arbor Road Redevelopment Plan**

DATE: August 16, 2006

COPY: Marc Wulschleger, Wynn Hjermstad, Urban Development
Marvin Krout, Planning
Mark Hunzeker
Peter Katt

The August 10th, 2006 version of the "56th & Arbor Road Redevelopment Plan" included some text that does not match the intent of the redevelopment plan. The text on pages 21 -23 gives the impression that the intent is to use Tax Increment Financing (TIF) to support new residential development in this suburban area. However, the intent of the proposal is to include the residential land in the TIF district to generate funds for commercial and industrial development, not to use funds for internal improvements within the residential area nor for improvements solely to benefit the residential area.

In order to clarify the intent of the Redevelopment Projects, the August 10th Redevelopment Plan will be revised prior to City Council hearing to:

1. Add land between Interstate 80 and Arbor Road, west of Highway 77 (Lots 11, 27, 28, 33 Irregular Tract in Section 29, Township 11 North, Range 7 East) to one of the project areas
2. Revise the text to clarify that while land for future suburban residential subdivisions may be included in the boundaries of the TIF project, TIF funds will not be used to make internal improvements within the subdivision. The residential land to be included will be limited to the initial phase of 115 lots for the purpose of using funding from the residential to support commercial and industrial development elsewhere in the redevelopment area.
3. Amend project boundaries and number of projects as necessary to phase the improvements along Highway 77 and across to the north side of the Interstate.

Q:\PC\CPC\06000\CPC06008 PC Memo Aug 2006.wpd

North 56th Street & Arbor Road Redevelopment Plan

p.10:

Roads and Streets

Public streets and roadways serving the Redevelopment Area include Interstate 80, North 40th and North 70th Streets, which form the west and southeast boundary of the Redevelopment Area, and pass over the Interstate, North 56th Street (US Highway 77) which has a full interchange with the Interstate, Arbor Road, and North 58th Circle, a small cul-de-sac north off of Arbor Road. North 40th, North 56th, and North 70th Streets are all section line roads and Arbor Road is a half-section line road. Also, the southerly section line road does not exist between North 40th and 70th streets. North 40th Street, which is graveled in this area, ends approximately 0.6 miles south of Arbor Road. Arbor Road, which runs parallel to the Interstate, is paved from North 70th Street to approximately ¼ mile west of North 56th Street. Arbor Road continues west beyond the Redevelopment Area boundaries and passes under the Interstate to intersect with North 27th Street and dead-end at North 14th Street. A bridge, which will take Arbor Road over, rather than under, the Interstate will be completed in the Spring of 2006.

p. 19:

Streets and Sidewalks

1. Future arterials in the Redevelopment Area are either gravel or county standard asphalt paving. Streets should be constructed in conjunction with redevelopment projects to enhance arterials and collectors or minor arterials, especially Alvo and Arbor Road.

p. 20:

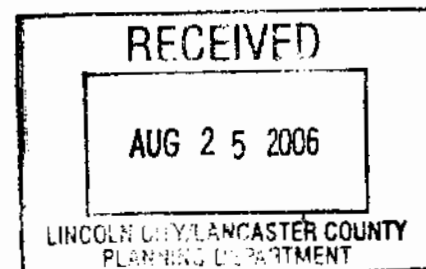
Sewer and Water

2. A new trunk sewer shall be design and constructed by the City that connects to the 60" sewer located at North 70th Street and the entrance of the Northeast Treatment Plant. This line will be a 36" line and progress west to North 68th Street, cross Salt Creek with a siphon and continue westward until it crosses North 56th Street north of Salt Creek. This trunk sewer should eventually be extended west to approximately 40th Street (size to be determined) will then and also be extended northward, crossing under Interstate 80 to a point approximately ½ mile south of Bluff Road. An additional trunk sewer extension should run westward along the north side of Interstate 80 from North 56th Street to North 40th Street and then north along the North 40th Street ROW to a point approximately ½ mile south of Bluff Road a lift station and injection line will be located at the northeast corner of North 40th Street and Interstate 80 to transfer wastewater to trunk line located at intersection of North 56th Street and Interstate 80. The combination of these proposed trunk sewers and lift stations will serve the entire redevelopment area and be located in Project Sub-Area E.

5901 O Street • Lincoln, NE 68510 • (402) 436-1636 • (Fax) 458-3285

August 22, 2006

Mayor Coleen Seng
City of Lincoln
555 South 10th Street
Lincoln, NE 68508



Dear Mayor Seng:

In a letter (attached) to you dated October 21, 2005, I conveyed the Board of Education's concerns about the proposed use of tax increment financing (TIF) on new residential areas in the vicinity of N. 56th Street and I-80 being considered for blight designation. In discussions you and Mr. Naumann had with Dr. Gourley, Superintendent of Schools, you provided assurances that your Administration understood the School Board's concerns and it was not the intent of the City to draw TIF from new residential developments.

Over the past several weeks, the Board of Education Planning Committee has received two presentations from attorney Mark Hunzeker related to the proposed N. 56th and I-80 Redevelopment Plan, asking that the Committee recommend that the School Board reverse its opposition to drawing TIF from a residential portion of that Redevelopment Plan. Mr. Hunzeker was joined by City staff in his presentation last week.

At the regularly scheduled Board of Education meeting on August 22, 2006, the Board of Education discussed the proposed redevelopment plan for the N. 56th Street and I-80 area. The Board Planning Committee presented the following resolution that was adopted by the Board of Education:

The Planning Committee has received information from the City of Lincoln related to the "Draft" N. 56th and I-80 Redevelopment Plan and proposed associated residential tax increment financing. The Board Planning Committee provides the following for Board review and discussion:

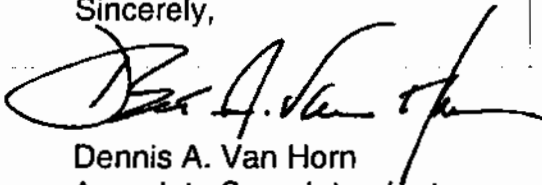
- *LPS plays a major role in Lincoln's economic development by maintaining and strengthening our excellent public school system, to foster a competitive workforce and help retain and attract quality businesses.*
- *LPS supports the Lincoln economy through sound hiring, procurement, and construction practices.*

- *When the blight study for a development area at N. 56th and I-80 was first reviewed by Planning Commission and City Council, LPS spoke against deriving Tax Increment Financing (TIF) from new residential developments. We are grateful that the City Council endorsed the policy urged by LPS.*
- *LPS reiterates that Tax Increment Financing of new residential development is poor public policy, requiring that for up to 15 years, property taxes on existing homes and businesses would bear most of the costs of public education (and other essential services) for those new neighborhoods, especially their share of the cost of building new facilities.*

Planning Committee 8-21-06

The Board of Education respectfully requests that you and the City Council reaffirm that the City's prudent, balanced approach to the use of TIF will not include deriving TIF from new residential areas in the N. 56th and I-80 Redevelopment Plan. Your consideration and support of this request will be appreciated.

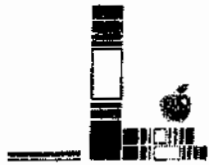
Sincerely,



Dennis A. Van Horn
Associate Superintendent
for Business Affairs

Attachment

c: Board of Education
City Council
Dr. Gourley
Marvin Krout
Marc Wullschleger
Jim Gessford



Lincoln Public Schools

5901 O Street • Lincoln, NE 68510 • (402) 436-1636 • (Fax) 436-1682

October 21, 2005

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Mayor City Of Lincoln
555 South 10th Street
Lincoln, NE 68526

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c: Board of Education
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